



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Price Field Office
125 South 600 West
Price, Utah 84501

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UTU-74804
(UT-070)

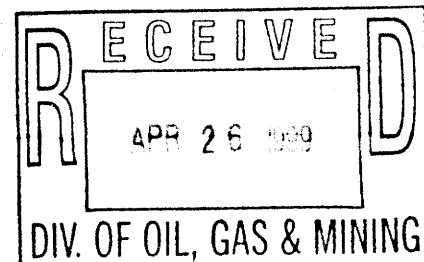
APR 23 1999

Certified Mail--Return Receipt Requested
Certificate No. P 299 520 582

Denise Dragoo
Resident Agent, Horizon Mining, LLC.
Snell and Wilmer
111 East Broadway, Suite 900
Salt Lake City, Utah 84111

Re: Horizon Mine, Federal Coal Lease UTU-74804

Dear Ms. Dragoo:



Our office has received your letter dated April 9, 1999, which informed us of the cessation of further mining advance in the 1st Left Main North entries at the Horizon Mine and your proposed abatement plan for this action. Our response to the items in your letter follows.

You informed us that Horizon has stopped mining coal in the 1st Left Main North entries located on the subject Federal coal lease. This was verified by our inspector on April 13, 1999. This complies with the Order for Immediate Cessation of Operations (Order) which was served to you on April 9, 1999. As stated in the Order and the Notice of Noncompliance (Notice), no further mining shall take place in this section until a Mining Plan has been submitted and approved by the various authorities. These are the requirements to correct the order and notice as per 43 CFR 3486.3(b).

Horizon has proposed three items as an "abatement plan." These items are in essence the required corrective actions, but should not be referred to as abating the Order and Notice. When the corrective actions are complete and the Secretary of Interior has approved the mining plan, the authorized officer will, in writing, lift the cessation order and the resumption of mining in the 1st Left North Mains section would be authorized. Though Horizon is complying with the enforcement actions by not mining further in the 1st Left North section, mining plan approval is necessary to be in full compliance with the lease terms.

We note that in Item 3, Horizon proposes to square off the section, in other words finish any uncompleted crosscuts between entries. Horizon is not authorized to mine coal in the new lease until a mining plan has been approved. If there are safety concerns with dead-end mining cuts, the Mine Safety and Health Administration (MSHA) needs to contact us with their requirements.

It is in the interest of the public and the BLM that Horizon resume mining in the area to assure conservation of the coal resource. Unmined Federal coal reserves can only be accessed through

ACT 10071020 #3 Copy Mary Ann, Aaron, Joe, Pam
FAX Bill
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Horizon's portal area and mine workings. However, this goal must be achieved by the established laws and regulations. BLM is willing to assist in formulating a resource recovery and protection plan (R2P2) as part of the mining plan to assure maximum economic recovery.

If you have any questions, please call Stephen Falk of my staff at (435) 636-3600.

Sincerely,

Acting /s/ THOMAS E. RASMUSSEN

Richard L. Manus
Field Manager

cc: Horizon Mining, LLC
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Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
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1999 Broadway, Suite 3320
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